



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

| | | | |
|-------------------------|-----------------|----------------|---|
| Bill # | SB0039 | Title: | Extend duration of reserved water rights compact commission |
| Primary Sponsor: | Juneau, Carol C | Status: | As Introduced |

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

| | <u>FY 2010 Difference</u> | <u>FY 2011 Difference</u> | <u>FY 2012 Difference</u> | <u>FY 2013 Difference</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures: | | | | |
| General Fund | \$102,769 | \$102,769 | \$105,338 | \$107,972 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| Net Impact-General Fund Balance: | <u>(\$102,769)</u> | <u>(\$102,769)</u> | <u>(\$105,338)</u> | <u>(\$107,972)</u> |

Description of fiscal impact: The bill extends the Reserved Water Rights Compact Commission (RWRCC) for negotiation with Indian tribes and federal agencies until July 1, 2013. If approval of the state legislature and the tribe has not been accomplished by this date, all claims for reserved water rights that have not been resolved by a compact must be filed with the Department of Natural Resources and Conservation (DNRC) within 60 months.

FISCAL ANALYSIS

Assumptions:

1. The RWRCC has begun an implementation bureau within the Water Resources Division of the DNRC in January 2009. The executive budget was built assuming the implementation bureau would continue and the RWRCC would sunset.
2. SB 39 would require the RWRCC to continue with negotiations and have it remain its own program. The sunset removes 2.50 FTE to maintain the implementation bureau at 5.00 FTE. An additional attorney with salary and benefits of \$98,769 annually would be required for a total of 6.00 FTE should the RWRCC not sunset.
3. The commission would meet three times annually at a cost of \$2,016 for per diem (\$672 X 3) and also hold monthly negotiating meetings at a cost of \$5,400 for per diem (\$450 X 12). The total commission per diem is \$7,416, with travel estimated to be \$4,000 annually.
4. An inflation factor of 2.5% per year was applied for the 2013 biennium

| | <u>FY 2010 Difference</u> | <u>FY 2011 Difference</u> | <u>FY 2012 Difference</u> | <u>FY 2013 Difference</u> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Fiscal Impact:</u> | | | | |
| FTE | 1.00 | 1.00 | 1.00 | 1.00 |
| <u>Expenditures:</u> | | | | |
| Personal Services | \$98,769 | \$98,769 | \$101,238 | \$103,769 |
| Operating Expenses | \$4,000 | \$4,000 | \$4,100 | \$4,203 |
| TOTAL Expenditures | <u>\$102,769</u> | <u>\$102,769</u> | <u>\$105,338</u> | <u>\$107,972</u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$102,769 | \$102,769 | \$105,338 | \$107,972 |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | (\$102,769) | (\$102,769) | (\$105,338) | (\$107,972) |

Long-Range Impacts:

1. If a compact is not negotiated and approved by the state legislature and tribe by July 1, 2013, the tribe may file up to 20,000 claims by July 2018 (FY 2019). Timely examination of these claims will have costs associated for water right specialists, data entry, programming, and legal assistance.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date